

**House Study Bill 663 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
ENVIRONMENTAL PROTECTION  
BILL BY CHAIRPERSON OLSON)

**A BILL FOR**

1 An Act relating to private sewage disposal system inspections  
2 and groundwater hazard statements as part of certain  
3 property transfers.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455B.172, subsection 11, paragraph a,  
2 subparagraph (2), Code Supplement 2009, is amended to read as  
3 follows:

4 (2) A transfer to a mortgagee by a mortgagor or successor  
5 in interest who is in default, ~~or~~ a transfer by a mortgagee  
6 who has acquired real property ~~at a sale conducted pursuant~~  
7 ~~to chapter 654 as a result of a deed in lieu of foreclosure~~  
8 or has acquired real property under chapter 654 or 655A, or a  
9 transfer back to a mortgagor exercising a right of first  
10 refusal pursuant to section 654.16A, ~~a nonjudicial voluntary~~  
11 ~~foreclosure procedure under section 654.18 or chapter 655A, or~~  
12 ~~a deed in lieu of foreclosure under section 654.19.~~

13 Sec. 2. Section 455B.172, subsection 11, paragraph a,  
14 Code Supplement 2009, is amended by adding the following new  
15 subparagraphs:

16 NEW SUBPARAGRAPH. (7) A transfer in which the transferee  
17 intends to demolish or raze the building. The department shall  
18 adopt rules pertaining to such transfers.

19 NEW SUBPARAGRAPH. (8) A transfer of property with a system  
20 that was installed not more than two years prior to the date of  
21 the transfer.

22 NEW SUBPARAGRAPH. (9) A deed arising from a partition  
23 proceeding.

24 NEW SUBPARAGRAPH. (10) A tax sale deed issued by the county  
25 treasurer.

26 Sec. 3. Section 455B.172, subsection 11, paragraph b, Code  
27 Supplement 2009, is amended by striking the paragraph.

28 Sec. 4. Section 455B.172, subsection 11, paragraphs d, h,  
29 and i, Code Supplement 2009, are amended to read as follows:

30 *d.* If a private sewage disposal system is failing to ensure  
31 effective wastewater treatment or is otherwise improperly  
32 functioning, the private sewage disposal system shall be  
33 renovated to meet current construction standards, as adopted  
34 by the department, either by the seller or, by agreement,  
35 and within a reasonable time period as determined by the

1 county board of health or the department, by the buyer. If  
2 the private sewage disposal system is properly treating the  
3 wastewater and not creating an unsanitary condition in the  
4 environment at the time of inspection, the system is not  
5 required to meet current construction standards.

6 *h.* Following an inspection, the inspection form and any  
7 ~~related reports attachments~~ shall be provided to the county  
8 board of health and the department for enforcement of any  
9 follow-up mandatory system improvement and to the department  
10 for record.

11 *i.* An inspection is valid for a period of two years for  
12 any ownership transfers during that period. ~~Title abstracts~~  
13 ~~to property with private sewage disposal systems shall include~~  
14 ~~documentation of the requirements in this subsection.~~

15 Sec. 5. Section 558.69, Code 2009, is amended to read as  
16 follows:

17 **558.69 Reporting of private burial sites, wells, disposal**  
18 **sites, underground storage tanks, and hazardous waste, and**  
19 **private sewage disposal systems — liability.**

20 1. With each declaration of value submitted to the county  
21 recorder under chapter 428A, there shall also be submitted a  
22 groundwater hazard statement ~~regarding whether~~ stating all of  
23 the following:

24 a. Whether any known private burial site is situated on the  
25 property, and if a known private burial site is situated on the  
26 property, the statement shall state the approximate location of  
27 the site. ~~The statement shall also state that~~

28 b. That no known wells are situated on the property, or  
29 if known wells are situated on the property, the statement  
30 must state the approximate location of each known well and  
31 its status with respect to section 455B.190 or 460.302. ~~The~~  
32 ~~statement shall also state that~~

33 c. That no known disposal site for solid waste, as defined  
34 in section 455B.301, which has been deemed to be potentially  
35 hazardous by the department of natural resources, exists on

1 the property, or if such a known disposal site does exist, the  
2 location of the site on the property. ~~The statement shall~~  
3 ~~additionally state that~~

4 d. That no known underground storage tank, as defined in  
5 section 455B.471, subsection 11, exists on the property, or  
6 if a known underground storage tank does exist, the type and  
7 size of the tank, and any known substance in the tank. ~~The~~  
8 ~~statement shall also state that~~

9 e. That no known hazardous waste as defined in section  
10 455B.411, subsection 3, or listed by the department pursuant  
11 to section 455B.412, subsection 1, exists on the property, or  
12 if known hazardous waste does exist, that the waste is being  
13 managed in accordance with rules adopted by the department of  
14 natural resources.

15 f. That no known private sewage disposal system exists  
16 on the property or, if such private sewage disposal system  
17 exists, that the system has been inspected pursuant to section  
18 455B.172, subsection 11.

19 2. The groundwater hazard statement shall be signed by at  
20 least one of the sellers or their agents.

21 3. The county recorder shall refuse to record any deed,  
22 instrument, or writing for which a declaration of value  
23 is required under chapter 428A unless the groundwater  
24 hazard statement required by this section has been submitted  
25 to the county recorder.

26 4. A buyer of property shall be provided with a copy of the  
27 submitted groundwater hazard statement by the seller submitted,  
28 ~~and, following the fulfillment of this provision, if the~~  
29 ~~statement submitted reveals no private burial site, well,~~  
30 ~~disposal site, underground storage tank, or hazardous waste on~~  
31 ~~the property, the county recorder may destroy the statement.~~

32 5. The land application of sludges or soils resulting  
33 from the remediation of underground storage tank releases  
34 accomplished in compliance with department of natural resources  
35 rules without a permit is not required to be reported as the

1 disposal of solid waste or hazardous waste.

2 ~~If a declaration of value is not required, the above~~  
3 ~~information shall be submitted on a separate form.~~

4 6. The director of the department of natural resources shall  
5 prescribe the form of the groundwater hazard statement ~~and the~~  
6 ~~separate form to be supplied by each county recorder in the~~  
7 state.

8 7. The county recorder shall transmit the groundwater  
9 hazard statements to the department of natural resources  
10 at times and in a manner directed by the director of the  
11 department.

12 8. The owner of the property is responsible for the accuracy  
13 of the information submitted on the ~~form~~ groundwater hazard  
14 statement. The owner's agent shall not be liable for the  
15 accuracy of information provided by the owner of the property.  
16 The provisions of this ~~paragraph~~ subsection do not limit  
17 liability which may be imposed under a contract or under any  
18 other law.

19 Sec. 6. Section 558A.1, subsection 4, paragraph b, Code  
20 2009, is amended to read as follows:

21 *b.* A transfer to a mortgagee by a mortgagor or successor  
22 in interest who is in default, ~~or~~ a transfer by a mortgagee  
23 who has acquired real property ~~at a sale conducted pursuant~~  
24 ~~to chapter 654~~ as a result of a deed in lieu of foreclosure  
25 or has acquired real property under chapter 654 or 655A, or a  
26 transfer back to a mortgagor exercising a right of first  
27 refusal pursuant to section 654.16A, ~~a nonjudicial voluntary~~  
28 ~~foreclosure procedure under section 654.18 or chapter 655A, or~~  
29 ~~a deed in lieu of foreclosure under section 654.19.~~

30 EXPLANATION

31 This bill relates to private sewage disposal system  
32 inspections and groundwater hazard statements.

33 Currently, a building where a person resides, congregates,  
34 or is employed that is served by a private sewage disposal  
35 system shall have the sewage disposal system serving the

1 building inspected prior to any transfer of ownership of the  
2 building. Certain types of transfers of ownership do not  
3 trigger the inspection requirement. The bill adds certain  
4 types of transfers of ownership to that list of transfers  
5 that are not subject to the inspection requirement. The bill  
6 eliminates the requirement that title abstracts to property  
7 with private sewage disposal systems include documentation of  
8 an inspection.

9 Currently, when a declaration of value is submitted to the  
10 county recorder, a statement is submitted to the recorder  
11 relating to the property and any known private burial sites,  
12 known wells, known disposal sites, known underground storage  
13 tanks, and known hazardous waste. The bill titles this  
14 statement a "groundwater hazard statement". The bill provides  
15 that the statement shall also include whether a known private  
16 sewage disposal system exists, and if one exists, that the  
17 system has been inspected.